

Profile of B.C.'s Small Business Sector

Prepared by Ministry of Skills Development and Labour

July 2004

What is the definition of a small business?

Any business with fewer than 50 employees is considered a small business.

This includes:

- Businesses with staff on payroll
- Individuals who are self-employed, with no paid help.

How big is the small business sector?

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- In 2002, B.C. small businesses contributed 30 percent towards the province's GDP.
- The small business wage and salary bill accounts for approximately 1/3 of all wages paid to B.C. workers.
- In 2001:
 - B.C. small business exports totaled \$10.4 billion.
 - 70 percent of B.C. small businesses who export, ship exclusively to the United States.

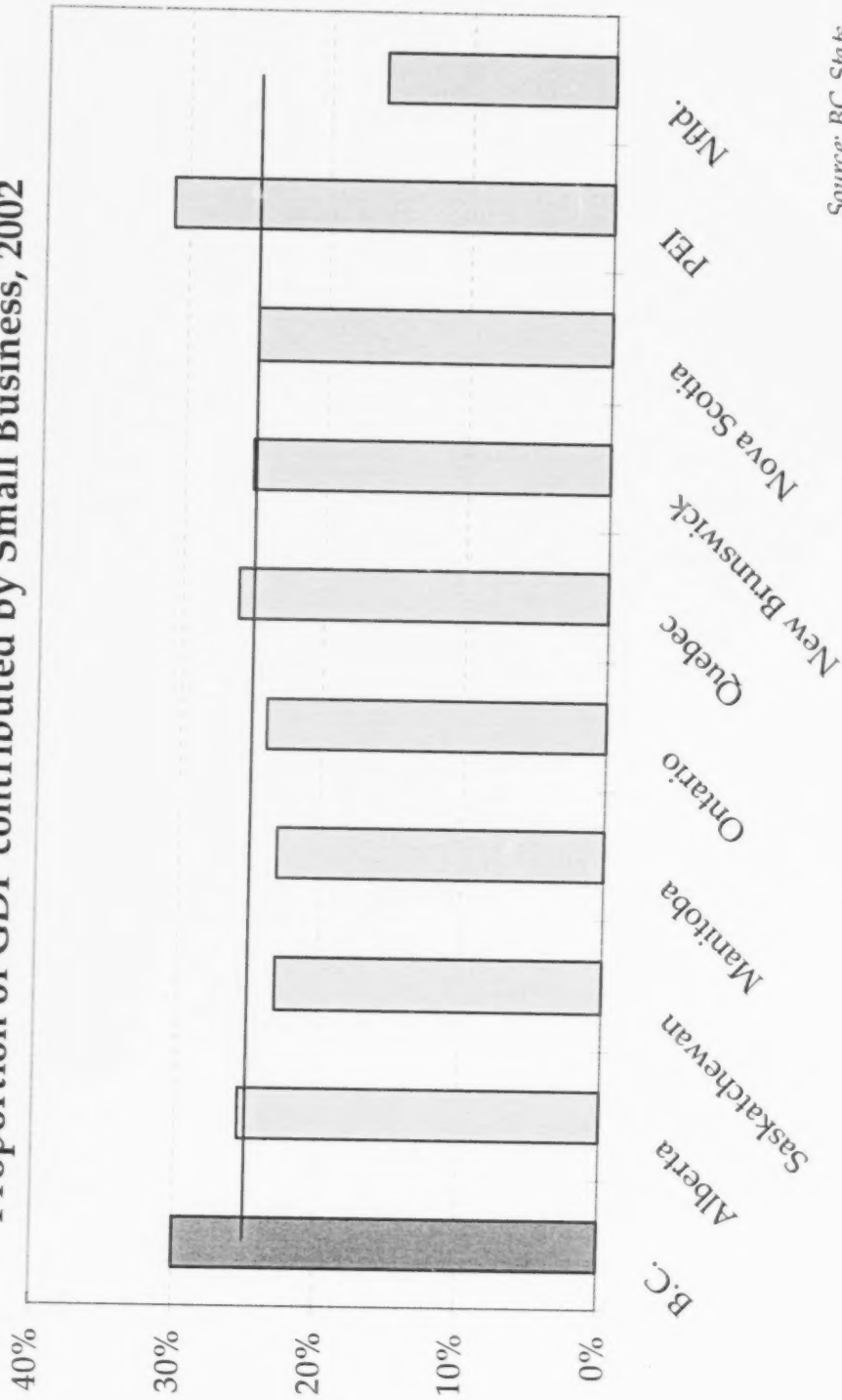
How many small businesses are there in B.C.?

- In 2003, there were 325,321 registered small businesses in B.C., representing 98% of all registered businesses in B.C.
- Half of all small businesses are operated by the owner with no paid help.

- No employees	173,948
- 1-19 employees	139,103
- 20-49 employees	12,270
- 50+ employees	7,097

How much economic activity do small businesses in B.C. generate?

Proportion of GDP contributed by Small Business, 2002



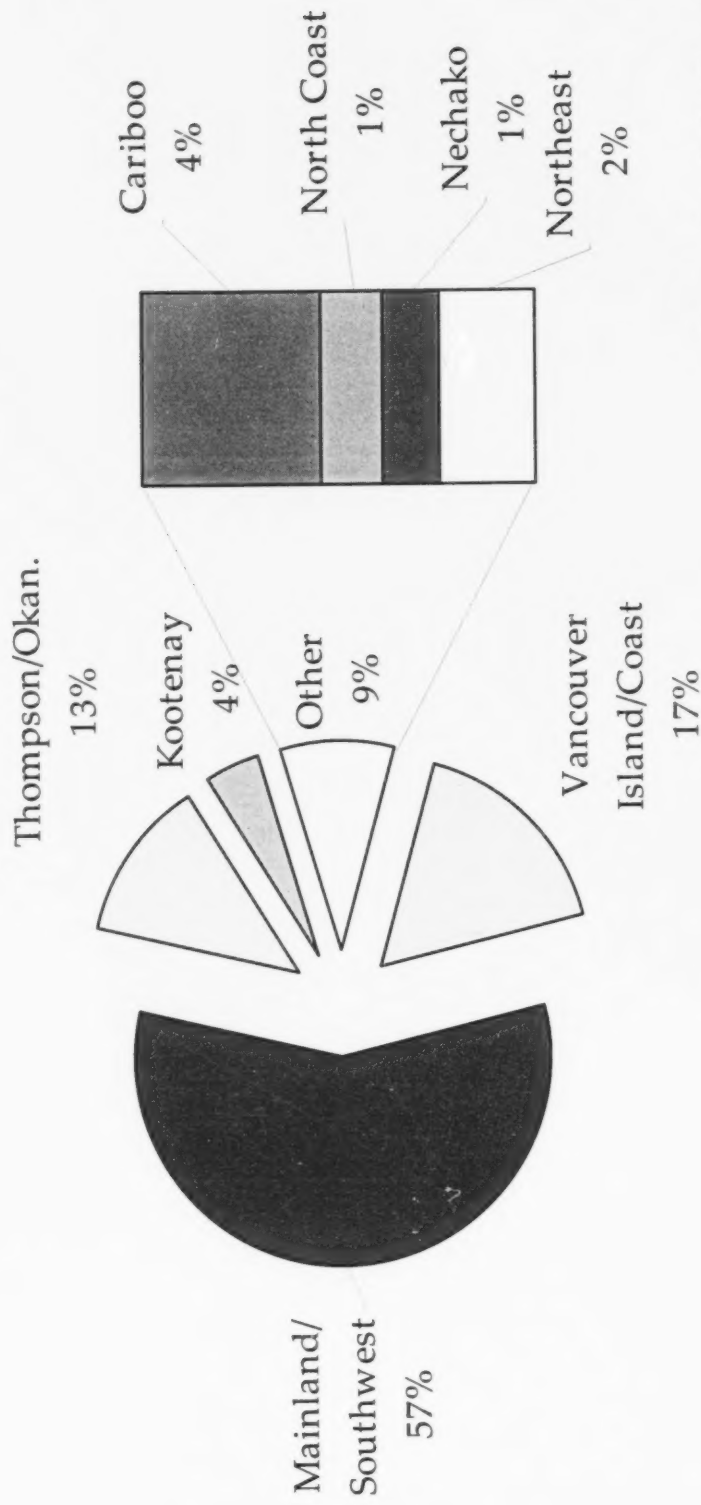
Source: BC Stats

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Where in the province are small businesses located?

Regional Distribution of Small businesses in B.C. in 2003



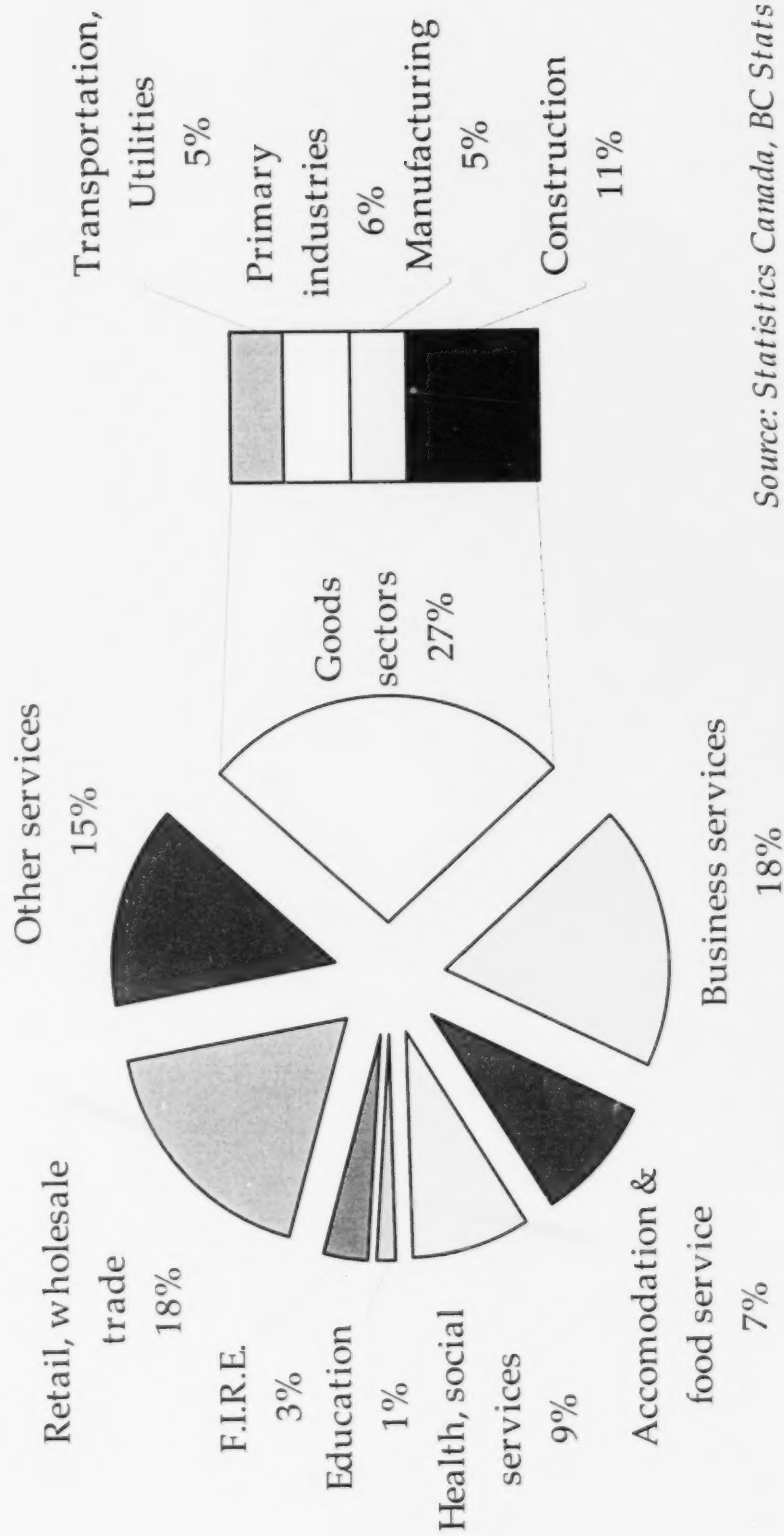
Source: Statistics Canada

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What sectors of the economy do small businesses operate in?

Industry Distribution of Small Businesses with employees



Source: Statistics Canada, BC Stats

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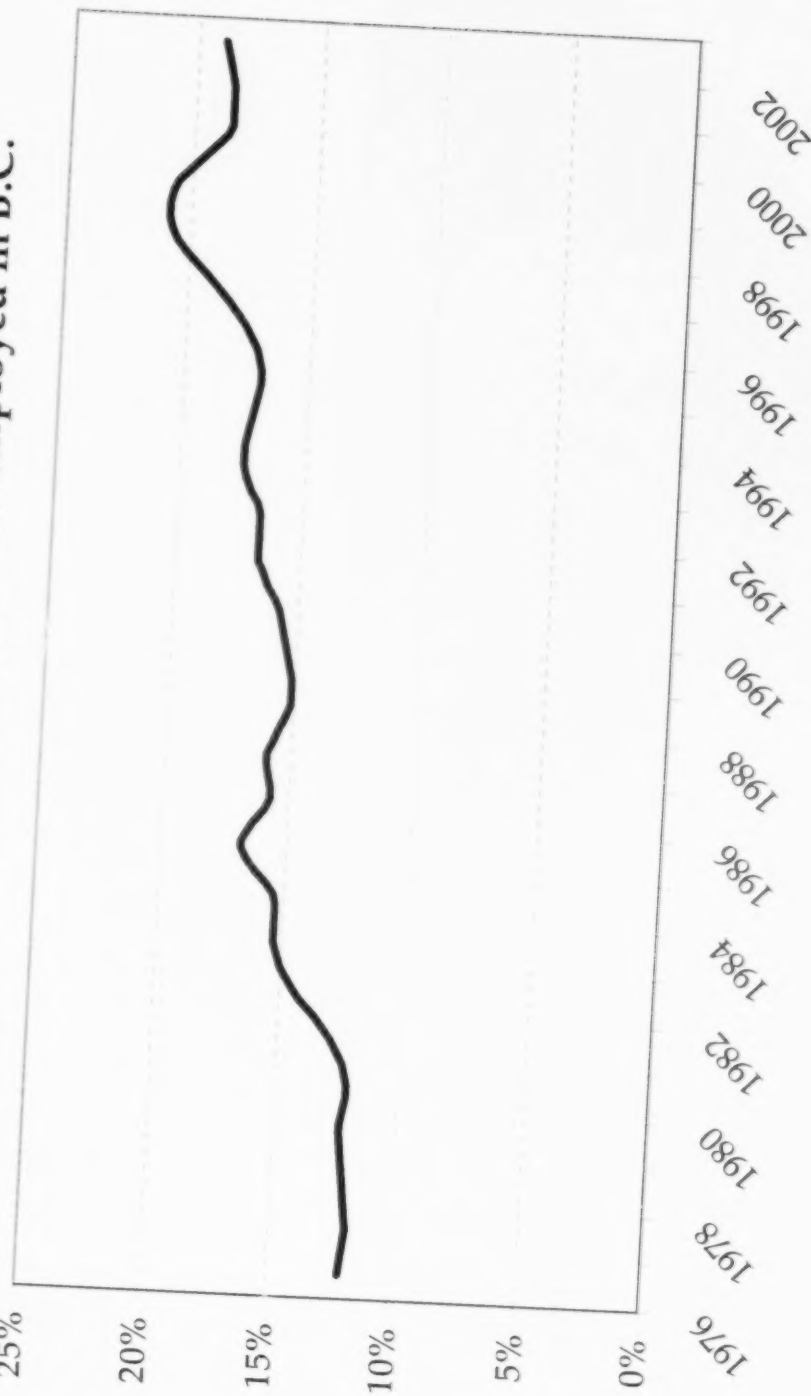
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How many people in B.C. work in small businesses?

- In 2002, there were 952,900 people working in small businesses in B.C.
- In 2002, the share of small business employment was 47 percent. This remains unchanged from 2001.
- Small business created 44,600 new jobs between 1997 and 2002.
 - Most of these new jobs were in businesses with employees.

How many people in B.C. are self-employed?

Self-employed workers as a % of total employed in B.C.



Source: Labour Force Survey

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Current climate among small businesses

- B.C. continues to have a high proportion of small businesses and self-employed persons relative to other provinces.
- Over the past decade (1992-2002), B.C. led the country in growth in the number of small businesses.
- In the past 5 years, the fastest growing small business sectors have been business services ,followed health & social services.
- In the past 5 years, the number of small businesses has grown most quickly in the Mainland/Southwest, followed by the Kootenays and Vancouver Island. All other regions experienced negative growth in the number of small businesses during that time.

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Emerging opportunities

- Opportunities to expand exports by small businesses, particularly to markets other than the United States – 70 percent of small exporters currently ship only to the US.
 - 1996 and 2001, second highest in Canada. The value of shipments from BC small exporters grew by an avg annual rate of 4.6 percent between
- Build on the strong business service base and expand the value of service exports.
- Direct tourism and support businesses.
- Specialty manufacturing to supply resource based firms. (e.g. small machining operations).

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